



POLICY & ACTION FROM CONSUMER REPORTS

October 4, 2011

The Honorable Timothy Johnson, Chairman  
The Honorable Richard Shelby, Ranking Member  
Committee on Banking, Housing and Urban Affairs  
The United States Senate  
Washington, DC 20510

Re: Bank of America Debit Fees

Dear Senators Johnson and Shelby:

We are writing to express our deep concern over Bank of America's new fee that will charge customers for their debit card purchases. This fee appears to be unreasonable and unrelated to the actual cost of processing debit card transactions. Consumers Union, therefore, urges your Committee to hold a hearing as soon as possible to review the matter.

Last week, Bank of America announced that beginning in 2012 it will charge consumers a five dollar monthly fee for making debit card purchases. For the millions of customers who routinely shop with their debit cards, the \$5 monthly fee will add up to an extra \$60 a year paid to Bank of America, money that many households need for groceries or utilities. The monthly fee will be charged even if purchases in a given month are less than the five dollar fee. Combined with other monthly service fees that can go as high as \$12, customers who use their debit cards to make purchases could wind up spending \$17 a month, or over \$200 a year, to maintain a debit card at Bank of America.

Bank of America's decision to charge a monthly fee for debit card transactions is ill-timed and unwise. The bank continues to struggle financially. Yet it now appears ready to drive away customers with the promise of more excessive fees. Indeed, many consumers are questioning why this financial institution, which just a few years ago avoided disaster because of taxpayer assistance, should now be taking advantage of many of these same taxpayers. Still other consumers question why the bank should charge them for the use of their own money.

We agree these are worthy questions. Far too many Americans remain out of work or are living pay check to pay check, already struggling to make ends meet without the extra burden of arbitrary bank fees. Consumers cannot afford and should not be required to pay a costly fee that appears to be arbitrary and designed to generate income for the bank rather than covering the costs of providing debit card services.

This type of fee is not unique to Bank of America. As more banks, like Wells Fargo and Chase, begin to test new debit card fees, it is critical that these financial institutions also

be held accountable to ensure that consumers are not unfairly treated. We urge you to examine whether such fees are justified, and reasonable and proportional to the services provided.

Thank you in advance for your prompt attention to this important consumer issue. We would be happy to meet with you to discuss this matter and work with you further. If you have any questions please feel free to contact me at (202)462-6262 or [bankpa@consumer.org](mailto:bankpa@consumer.org).

Sincerely,

A handwritten signature in black ink that reads "Pamela Banks". The signature is written in a cursive, flowing style.

Pamela F. Banks  
Senior Policy Counsel

cc: Senator Richard Durbin  
Members of the Committee on Banking, Housing and Urban Affairs